



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 04 2019 (ending 25/01/2019)

**“Luck is just another word for tenacity of purpose.” – Ralph Waldo Emerson**

**Irish retail sales rise 3.7% y-o-y in December** – According to latest figures from the Central Statistics Office, retail sales volumes rose by 3.7% in December compared with December 2017 and by 5.1% if Motor Trades are excluded. The sectors with the largest monthly increases were Hardware, Paints & Glass (+3.9%).

**ECB’s Draghi says eurozone growth slowing but low chance of recession** – The European Central Bank President Mario Draghi in a news conference after the ECB rates meeting said that while growth risks “have moved to the downside” there was “unanimity about assessing the likelihood of a recession as being low”.

**Global stock market up 0.1% from 18th January to 25th January** – The MSCI AC World TR Index showed a 0.09% return from 18th January to 25th January to give a fourth consecutive week of positive returns so far in 2019 (up 6.1% since January 1<sup>st</sup>). The Vix (CBOE Volatility Index) closed the week slightly lower at 17.42.

**IMF cut global growth forecast for 2019 to 3.5%** – In its World Economic Outlook (WEO) update, the International Monetary Fund has revised down its global growth forecast for 2019 to 3.5% (from 3.7% in October) and to 3.6% for 2020 (from 3.7% in October), citing a slowdown in several advanced economies.

**Chinese growth in 2018 hit a 28-year low** – The National Bureau of Statistics reported that GDP growth in China was 6.6% in 2018 compared to 6.8% in 2017, the lowest growth level seen since 1990. The China / U.S. trade war and government/corporate debt reduction were the main culprits being blamed for slowdown.

**Japan's exports in December show the largest y-o-y fall in over two years** – Ministry of Finance (MOF) data showed that exports in December unexpectedly fell 3.8% compared to December 2017, the worst year-on-year fall since October 2016. This far exceeded the 1.9% drop expected by economists in a Reuters poll.

**The Story of the week:** According to the Arizona Daily Star, tyre shop technician Cross Scott who had no proper CPR training managed to save an unconscious woman based on what he seen in an episode of ‘The Office’ where Steve Carrell’s character, also co-incidentally named Scott (Michael), where Carrell tells his office staff to perform CPR to the tune of the Bee Gees hit “Stayin’ Alive”. Scott was test driving a customer’s vehicle when he saw a car pulled over with its hazard lights flashing and he smashed the car window with a rock and resuscitated the woman.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD (to 25/01)</b>
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	6.1
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	6.8
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	1.2
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	5.5
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	6.4
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	8.0
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	3.8
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	6.1
Eurozone Government Bonds 1–5 yr	3.4	1.0	0.9	-0.2	0.0	0.2
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
U.S.	2.2	2.2	2.4	2.4	2.7	2.8
German	0.5	0.6	0.2	0.4	0.2	0.2
UK	1.9	1.9	1.2	1.2	1.3	1.3
Japan	0.3	0.2	0.0	0.0	0.0	0.0
Ireland	1.3	1.1	0.7	0.7	0.9	0.9
Italy	2.1	1.6	1.8	2.0	2.8	2.6
Greece	9.6	7.9	7.1	4.1	4.4	4.0
Portugal	2.7	2.5	3.8	1.9	1.7	1.6
Spain	1.6	1.7	1.4	1.6	1.4	1.2
<b>Central Bank Rates (%)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.50
<b>Foreign Exchange Rates</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.14
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.86
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.32
<b>IPD All Property Return % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

\*Past performance is not a reliable guide to future performance and may fall as well as rise.